THE MINISTER OF WATER RESOURCES (SHRI PRIYA RANJAN DASMUNSI): (a) and (b) Considering the special features of North-Eastern States & Sikkim and Hilly States like Jammu and Kashmir, Himachal Pradesh and uttaranchal, these States have been considered as special Category States for the purpose of Central Assistance for Plan financing. These States have, therefore, been accorded special dispensation under Accelerated Irrigation Benefits Programme for providing Central Loan Assistance. The undivided Kalahandi, Bolangir and Koraput districts of Orissa are also considered at par with Special Category States. There is no proposal to declare Rajasthan as a Special Category State.

ONGC's Tie up with a Russian Firm

*194. SHRI LALIT SURI: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether the Oil and Natural Gas Corporation has been able to tie up with its counterpart in Russia to explore new oil and gas fields in that country;

(b) if so, the details of arrangements made; and

(c) to what extent India would be able to import oil and gas from these sources and at what price?

THE MINISTER OF PETROLEUM AND NATURAL GAS (SHRI MANI SHANKAR AIYAR): (a) and (b) ONGC Videsh Limited (OVL) and Rosneft are already partners in Sakhalin-I project in Russia, in which OVL has a 20% stake.

Further discussions about possible areas of collaboration have been held at the ministerial, official and commercial levels on this subject. The response has been encouraging.

Oil and natural Gas Corporation Limited (ONGC) and Gazprom, in which the Russian Government have a large interest, have entered into a Memorandum of Understanding (MoU) which envisages joint participation of Gazprom and OVL in oil and gas sectors in Russian and third countries and also of Gazprom and ONGC in India.

A Strategic Cooperation Agreement was signed between GAIL (India) Limited (GAIL) and Gazprom on 3.12.2004. In terms of this agreement, the parties would evaluate various oportunities, with a special focus on the gas sector in India, Russia and other countries, and develop projects for implementation.

(c) Production of oil and gas from Sakhalin-I is expected to commence from 2005-2006 and full production is expected from the last quarter of 2006-07. The Sakhalin Project is expectd to produce about 12.5 Million Tonnes (MMT) of oil and 10 Billion Cubic Metres (BCM) of gas in the year of peak production, of which OVL's share would be 20%. The total production of the fields over their 40-year life period is estimated to be of the order of 307 MMT of oil and 485 BCM of gas. OVL has the option to bring its share of oil/gas to India or dispose off it to other consumers at prevailing market prices.

Panel on restructuring of public sector oil companies

*195. DR. VIJAY MALLYA:
SHRI LALIT SURI:

Will the Minister of PERTOLEUM AND NATURAL GAS be pleased to state:

(a) whether it is a fact that an Advisory Panel on the question of merger of oil companies has been constituted to go into various issues relating to the restructuring of public sector oil companies;

(b) if so, what are the terms or reference; and

(c) the progress in its deliberations and by when its recommendations are likely to be submitted to Government?

THE MINISTER OF PERTROLEUM AND NATURAL GAS (SHRI MANI SHANKAR AIYAR): (a) to (c) Government set up an Advisory Committee on Synergy in Energy on 7.1.2005 with the following terms of reference:

(I) Examining the core competence of the public sector undertakings in the petroleum and natural gas sector of India to assess their competitiveness in the evolving domestic and international scenario;

(II) Analyzing the various options of leveraging their strengths to optimally fulfil their required contribution to the national objectives of :

(i) Energy security;

(ii) Accelerated growth;

(iii) Sustained development; and,

(iv) Social objectives of Government policy.

(III) Identifying the most appropriate structure and management system for the oil public sector unertakings to secure these ends.